

Senate File 466

H-1700

1 Amend Senate File 466, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. By striking everything after the enacting clause
4 and inserting:
5 <Section 1. NEW SECTION. 103A.71 Residential
6 **contractors.**
7 1. As used in this section:
8 a. "*Catastrophe*" means a natural occurrence
9 including but not limited to fire, earthquake, tornado,
10 windstorm, flood, or hail storm, which damages or
11 destroys residential real estate.
12 b. "*Residential contractor*" means a person in
13 the business of contracting to repair or replace
14 residential roof systems or perform any other
15 exterior repair, exterior replacement, or exterior
16 reconstruction work resulting from a catastrophe
17 on residential real estate or a person offering to
18 contract with an owner or possessor of residential real
19 estate to carry out such work.
20 c. "*Residential real estate*" means a new or existing
21 building, including a detached garage, constructed for
22 habitation by one to four families.
23 d. "*Roof system*" includes roof coverings, roof
24 sheathing, roof weatherproofing, and roof insulation.
25 2. A residential contractor shall not advertise
26 or promise to rebate any insurance deductible or
27 any portion thereof as an inducement to the sale of
28 goods or services. A promise to rebate any insurance
29 deductible includes granting any allowance or offering
30 any discount against the fees to be charged or paying
31 a person directly or indirectly associated with the
32 residential real estate any form of compensation,
33 except for items of nominal value. A residential
34 contractor may display a sign or any other type of
35 advertisement on a person's premises provided the
36 person consents to the display and the person receives
37 no compensation from the residential contractor for the
38 placement of the sign or advertising.
39 3. A residential contractor shall not represent
40 or negotiate on behalf of, or offer or advertise
41 to represent or negotiate on behalf of, an owner or
42 possessor of residential real estate on any insurance
43 claim in connection with the repair or replacement
44 of roof systems, or the performance of any other
45 exterior repair, exterior replacement, or exterior
46 reconstruction work on the residential real estate.
47 4. a. A residential contractor contracting to
48 provide goods or services to repair damage resulting
49 from a catastrophe shall provide the person with whom
50 it is contracting a fully completed duplicate notice in

1 at least ten-point bold type which shall contain the
2 following statement:

3 NOTICE OF BINDING CONTRACT

4 You are entering into a legally binding contract
5 with (insert name of residential contractor) to provide
6 goods and services to repair damage resulting from
7 a naturally occurring catastrophe including but not
8 limited to a fire, earthquake, tornado, windstorm,
9 flood, or hail storm. Except as described in the next
10 sentence, you are responsible for payment to (insert
11 name of residential contractor) for the cost of all
12 goods and services provided whether or not you receive
13 payment from any property and casualty insurance
14 policy with respect to the damage. Your contract
15 with (insert name of residential contractor) is void
16 and you have no responsibility for payment under the
17 contract if (insert name of residential contractor)
18 either advertises or promises to rebate all or any
19 portion of your insurance deductible, or represents or
20 negotiates, or offers to represent or negotiate, on
21 your behalf with your property and casualty insurance
22 company on any insurance claim relating to the damage
23 you have contracted to have repaired. Your signature
24 below acknowledges your understanding of these legal
25 obligations and rights.

26

27 _____
Date

28

29 _____
Signature

30 b. The notice shall be executed by the person with
31 whom the residential contractor is contracting prior to
32 or contemporaneously with entering into the contract.

33 5. A contract entered into with a residential
34 contractor is void if the residential contractor
35 violates subsection 2, 3, or 4.

36 6. A residential contractor violating this section
37 is subject to the penalties and remedies prescribed by
38 this chapter.

39 Sec. 2. APPLICABILITY. This Act applies to
40 contracts entered into on or after the effective date
41 of this Act.>

42 2. Title page, line 2, after <penalty> by inserting
43 <and including applicability provisions>

BALTIMORE of Boone